

June 16, 2003

**MEMORANDUM**

**TO:** The Honorable Vincent F. Callahan, Jr.  
Chairman, House Appropriations Committee

The Honorable John H. Chichester  
Chairman, Senate Finance Committee

The Honorable Harvey B. Morgan  
Chairman, Joint Commission on Health Care

**FROM:** Patrick W. Finnerty

**SUBJECT:** Status Report on the Implementation of a Medicaid  
Preferred Drug List Program

Item 325 ZZ of the 2003 Appropriations Act directs the Department of Medical Assistance Services (DMAS) to establish a preferred drug list (PDL) program no later than January 1, 2004. As required by the budget language, DMAS submitted a report to the Senate Finance and House Appropriations Committees on April 1, 2003 outlining the design of the program. This memorandum provides a status report on activities that have taken place subsequent to the April 1 report.

**Pharmacy & Therapeutics (P&T) Committee**

Secretary of Health and Human Resources Jane H. Woods appointed eight physicians and four pharmacists to the P&T Committee. The members of the Committee are identified in Attachment A. It should be noted that Dr. Randall Dalton originally was appointed to the Committee. However, he is moving out of state and is unable to serve. Secretary Woods appointed Dr. Avtar Dhillon, a Psychiatrist, to replace Dr. Dalton. Dr.

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Dhillon is the Medical Director for the Colonial Community Services Board, and was recommended by the Psychiatric Society of Virginia and the Community Services Board.

In addition to the full-time P&T Committee members, Ms. Cindy Kirkwood (PharmD), a Board-Certified Psychiatric Pharmacist from Virginia Commonwealth University, has agreed to serve as an ad-hoc consultant to the P&T Committee for the purpose of reviewing mental health drugs.

The first meeting of the P&T Committee is being held on June 18<sup>th</sup>.

#### Preferred Drug List Contractor

A Request for Proposals (RFP) to procure the services of a Contractor to administer the PDL program and associated prior authorization programs was released on May 1, 2003. A mandatory pre-proposal conference was held on May 15<sup>th</sup>. The deadline for submitting proposals was June 5<sup>th</sup>. DMAS expects to award the contract by early July.

#### Public Input

The April 1<sup>st</sup> report noted that DMAS had met with over 30 different groups of stakeholders to solicit input into the design of the PDL program. DMAS has met with several more groups since April 1<sup>st</sup> to obtain input into the PDL development process. In addition, DMAS has established a specific section on its website ([www.dmas.state.va.us](http://www.dmas.state.va.us)) at which stakeholders can receive notices and information about the PDL program (e.g., P&T Committee meeting notices). Stakeholders also can access documents related to the PDL, including the Contractor RFP, the April 1<sup>st</sup> report, a listing of the P&T Committee members, and other pertinent information. Moreover, DMAS established a dedicated e-mail address ([pdlinput@dmas.state.va.us](mailto:pdlinput@dmas.state.va.us)) for interested parties to submit comments, concerns, or information.

For the first meeting of the P&T Committee, DMAS has invited representatives of pharmaceutical manufacturers, provider groups, and consumer advocates to address the Committee members about their respective priority issues and recommendations as to how the Committee should fulfill its responsibilities. In addition to those persons presenting oral comments at the meeting, all others were invited to submit any written information they would like the Committee to review.

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PDL Implementation Advisory Group

DMAS has decided to establish a PDL Implementation Advisory Group. This group will include representatives of pharmaceutical manufacturers, providers, and advocates, and will provide advice to the agency regarding the implementation of the PDL program. It is anticipated that the advisory group will be of particular assistance in the areas of provider/consumer education, and reviewing the process for prior authorization of non-preferred drugs and prior authorization for "more than nine unique prescriptions."

We will continue to submit status reports to you in the coming months to keep you abreast of the progress being made to implement the PDL program. In the interim, should you have any questions or wish to discuss this issue, please feel free to contact me (804-786-8099).

/pwf

Cc: The Honorable Phillip A. Hamilton  
The Honorable William C. Wampler, Jr.  
The Honorable Jane H. Woods  
Wayne M. Turnage  
David Hallock  
Joe Flores  
Susan Massart  
Kim Snead

## **ATTACHMENT A**

### **Medicaid Pharmacy & Therapeutics Committee**

<b>Member Name</b>	<b>Physician/Pharmacist</b>	<b>Background/Specialty</b>
Randy Axelrod (Chairman)	Physician	Anthem Chief Medical Officer/Pediatrics
Roy Beveridge	Physician	Private Practice/Oncologist
Avtar Dhillon	Physician	Private Practice (CSB)/Psychiatrist
James Reinhard	Physician	DMHMRSAS Commissioner/Psychiatrist
Arthur Garson, Jr.	Physician	Dean, UVA Medical School/Pediatric Cardiologist
Mariann Johnson	Physician	Family Practice
Eleanor S. (Sue) Cantrell	Physician	Local Health District Medical Director/Public Health
Christine Tully	Physician	VCU/Geriatrician
Mark Szalwinski (Vice Chairman)	Pharmacist	Sentara Health Care
Gill Abernathy	Pharmacist	INOVA Health System
Mark Oley	Pharmacist	Westwood Pharmacy
Renita Warren	Pharmacist	Edloe's Pharmacies